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From:
Sent: Fri 4/9/2010 5:58 PM
To:
Cc:

Subject: FW: 8300 example in interviews

See [answers](#), in the message below, to [two questions concerning the Form 8300 reporting requirement](#).

From:
Sent: Friday, April 09, 2010 3:32 PM
To:
Cc:
Subject: RE: 8300 example in interviews

Here are our views on whether the transactions in Example 1 and Example 2 require a Form 8300 to be filed. Please let me know if you have any questions.

Example 1

The insurance company would be required to file one Form 8300 for these transactions. (It's unstated but clearly implied that the insurance company is the same for both transactions.) Any persons who receive more than \$10,000 in a single transaction or in two or more related transactions while conducting their trade or business must file a Form 8300. Treas. Reg. § 1.6050I-1(a)(1)(i). Related transactions are transactions between a buyer (or other payer), or agent of the buyer, and a seller (or other business) that occur within a 24-hour period. Treas. Reg. § 6050I-1(c)(7)(ii). In addition, transactions more than 24 hours apart are related if the recipient of the cash knows, or has reason to know, that each transaction is one of a series of

connected transactions. *Id.* Here, the transactions occur in a 24-hour period, so it is clear that the transactions are related and a Form 8300 must be filed.

Example 2

The insurance company would be required to file a Form 8300 for these transactions because they are related transactions. Related transactions are transactions between a buyer, or agent of the buyer, and a seller that occur within a 24-hour period. In addition, transactions more than 24 hours apart are related if the recipient of the cash knows, or has reason to know, that each transaction is one of a series of connected transactions. Treas. Reg. § 6050I-1(c)(7)(ii). Here, the single premium annuity and the life insurance policy were purchased on the same day and therefore, by definition the purchases are related transactions. A business receiving more than one cash payment for related transactions must report the multiple payments any time the total amount received excess \$10,000 in cash within a 12-month period. Treas. Reg. § 1.6050I-1(b). Assuming additional facts (such as that the insurance policy and the annuity were purchased simultaneously and as part of a single estate plan), the situation could be viewed as involving only one transaction, with the same result.